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TOP FORM INTERNATIONAL LIMITED

黛麗斯國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 333)

OPERATIONAL UPDATE FOR 1st QUARTER OF FISCAL 2020

In continuation of the efforts to enhance the transparency of Top Form International Limited (the “**Company**”) and its subsidiaries (together the “**Group**”), the Board of Directors (the “**Board**”) of the Company announces the following operational update for the first quarter of fiscal 2020.

SALES

During the quarter, the Group has achieved sales of HK\$305 million, which was 10.7% higher compared with corresponding period in the prior year. This was mainly driven by the robust demand of the fully fused and seamless products. 73% of sales were to the US market, 19% to the EU and 8% to the rest of the world.

MANUFACTURING

Production from Thailand and Cambodian plants accounted for 76% of the global output with China accounted for the remaining 24% during the quarter. The Group has started training in the newly established Myanmar plant and we expect to start small scale manufacturing in second quarter and continue ramping up in 2020.

During the quarter, gross profit margin was higher compared with last year same period due to customer and product mix.

FINANCIAL POSITION

During the quarter, the Group maintains a healthy capital structure with net cash position and gearing ratio of less than 23%.

* *For identification purpose only*

OUTLOOK

With the official implementation of the additional 15% tariff on more than US\$125 billion of imports from China to the US, which also include underwear and brassiere products, the Group's financial results is expected to be negatively impacted as the US market still accounts for the majority of the sales for the Group. Throughout the past months, proactive steps have already been taken to diversify our manufacturing footprint as we shift more of our production out of our Chinese plants in order to minimize the tariff impact, which we expect to be contained. The Group will remain focused on improving the operational efficiency across all of our plants while continuing the ramp up of our overseas capacity, which includes our newly developed Myanmar plant; and starting vertical production in the recently set up seamless products plant.

The Board wishes to remind investors that the above operational update for the first quarter of fiscal 2020 is based on the Group's unaudited management accounts. Investors are cautioned not to unduly rely on such information.

In the meantime, shareholders of the Company and potential investors are advised to exercise caution in dealing in the securities of the Company.

On behalf of the Board
Top Form International Limited
Wong Chung Chong
Chairman

Hong Kong, 31 October 2019

As at the date of this announcement, the Board comprises Mr. Wong Chung Chong, Mr. Wong Kai Chung, Kevin and Mr. Wong Kai Chi, Kenneth as executive directors, Mr. Fung Wai Yiu, Mr. Lucas A.M. Laureys and Mr. Herman Van de Velde as non-executive directors and Ms. Leung Churk Yin, Jeanny, Mr. Leung Ying Wah, Lambert and Mr. Lin Sun Mo, Willy as independent non-executive directors.